

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS HANOI 000982

SIPDIS

SENSITIVE

STATE PLEASE PASS TO USTR EBRYAN
STATE ALSO FOR E, EB AND EAP/BCLTV
USDOC FOR 6500 AND 4431/MAC/AP/OPB/VLC/HPPHO
USDA FOR FAS/ITP/SHEIKH
GENEVA FOR USTR

E.O. 12958: N/A

TAGS: [ETRD](#) [EAGR](#) [ECON](#) [VM](#) [WTO](#)

SUBJECT: Yerxa Says To Push Vietnam on WTO Offer

Sensitive but Unclassified -- Please protect accordingly.

1. (SBU) Visiting WTO DG Rufus Yerxa described his discussions with GVN officials on WTO accession at an April 7 luncheon attended by Ambassador. Also present were the Ambassadors of Australia, Singapore, Switzerland, New Zealand, and the EC, the Representative from Taiwan and reps from the World Bank and UNDP.

2. (SBU) Yerxa said that he had met with Deputy Prime Minister Vu Khoan, Minister of Trade Tuyen, MOFA Vice Minister Le Van Bang, and WTO Lead Negotiator MOT Vice Minister Tu as well as some National Assembly reps and summarized his message as follows. He had sought to underscore the benefits of accession by citing examples of the positive results such as that of Mexico. He stressed to the GVN that it would be hard to get exemptions and transitions on rules, that discussion of Vietnam's low level of development was not productive, and that Vietnam needed to provide good and credible offers on goods as well as services to advance the process. He said that Vietnam's accession was not being blocked by any WTO member, but with 25 other Working Parties considering accessions Vietnam needed to make progress to maintain interest.

3. (SBU) In terms of timing, the GVN told Yerxa that they had nearly completed a new offer that they intended to submit next week. Some hard issues were still under discussion and review by the Ministers and Prime Minister. Once the GVN has submitted its offer he would expect another working party meeting could take place in about six weeks.

4. (SBU) In the subsequent discussion, the following key points emerged. Vietnam is still negotiating bilaterally and sees this as a zero sum game. Once the negotiations have concluded, we all need to declare Vietnam the winner. DPM Vu Khoan gets it, but does not have adequate power to push through these policy changes and adjustments. He must still seek consensus. GVN will lose some of its revenues from tariff reductions. GVN's view that MFN is "subject to interpretation" is a continuing problem for the Swiss, EC, U.S. and Australia. GVN still needs to build capacity to undertake all of these changes. GVN needs to trust the market more and let go of its system.

5. (SBU) Yerxa suggested that the Ambassadors seek a meeting with an appropriate GVN official soon to underscore the critical nature of the next meeting. If the offers and meeting are credible, they will make progress. If not, they risk losing their momentum and credibility as well as the interest of the WTO experts and reps in Geneva. We believe that this would be a worthwhile discussion between the Ambassador and DPM Vu Khoan. We request Washington guidance (including specific topics to raise) on how to proceed.

BURGHARDT